

**City of Milpitas
Library Subcommittee Meeting
City Hall Committee Conference Room
Meeting Notes
Tuesday, March 28, 2006**

Draft

UNAPPROVED MEETING MINUTES

1. Flag Salute Councilmember Livengood led the Committee in the Pledge of Allegiance.

2. Call to Order Councilmember Livengood called the meeting to order at 5:30 p.m.

Attendance:

<i>City Council:</i>	Mayor Jose Esteves (absent), Councilmember Bob Livengood
<i>Staff:</i>	Mark Rogge, Greg Armendariz, Emma Karlen, Linda Sinclair
<i>County Library Staff:</i>	Linda Arbaugh, Sarah Flowers
<i>Group 4:</i>	Dawn Merkes, David Schnee, David Sturges
<i>CSI Consulting:</i>	Tom Hedges,
<i>Others:</i>	Margie Stephens, Frank De Smidt, Eric Christen (Coalition for Fair Employment in Constr.) Neil Struthers (Santa Clara & San Benito Counties Building & Construction Trades Council) Philip

3. Citizens Forum (remarks limit to 3 minutes):

- None

4. Announcements:

- None

5. Approval of Agenda:

- The Committee approved the agenda.

6. Approval of Minutes – February 28, 2006

- The Committee approved the meeting minutes from the February 28, 2006 Library Subcommittee Meeting.

7. Project Labor Agreement (PLA) Discussion (5:30p.m. – 6:00p.m.)

- There are two here tonight that would like to present their view on Project Labor Agreement. One group will speak in favor of a PLA and one will speak against a PLA. Mark Rogge lay down the rules for the debate. Each group has five minutes to state their case and three minutes rebuttal for each side. Subcommittee Members may questions at the after the debate which should end by 6:00 PM. Linda Sinclair will time the session and give a one minutes warming to wrap up.
- Neil Struthers is from Building & Construction Trades Councils; Eric Christen is from Coalition for Fair Employment in Construction; Phil Vonne with The Associated General Contractors (AGC)

- Mark Rogge stated there are several labor agreements that will expire (2007-2008) during the duration of the Library project and can have an effect on the Library projects. The Building Trade Labor Agreements will expire are:
 - BAC – Tile Layer (03/31/07)
 - Ironworks (06/30/07)
 - Elevator Constructors (07/08/07)
 - Boilermakers (09/30/07)
 - Carpenters (06/30/08)
 - Millmen (06/30/08)
 - Pile Drivers (06/30/08)
 - Drywall Lathers (07/31/08)
 - Drywall Tapers (07/31/08)
- There possible City Goals to be included in a PLA should the City decide to have a PLA.
 1. Timely and successful completion of the Project
 2. No work stoppage, strikes, sympathy strikes, lockout
 3. Establish an effective method to settle disputes and controversies
 4. Define specialized work that may be excluded from PLA
 5. City's sole right to determine lowest responsible bidder, no limitation or restriction on use of equipment, material, projects, tools, etc.
- Also there is specialized work that may be excluded from PLA. (Security Systems; Furnishings; Low-voltage; Audio-visual systems, projectors; County or City furnished items; Artwork lighting & installation; Maintenance of leased equipment and related on-site supervision). The City maintains the soul rights for determining lower bidders.
- Mark Rogge tossed a coin to determine which group would present their ideas first.

Eric Christen, Coalition for Fair Employment in Construction and Phil Vonne with The Associated General Contractors (AGC) (first five minutes)

- There is an issue on Project Labor Agreement; this issue have been going on for the 15 years. PLAs are pre-hire agreements that implicitly seek to exclude from construction projects the more then 84% of the construction workforce that chooses to be merit-shop.
- All workers must pay into union health, welfare and pension plans.
- All Workers must go through a union hiring hall in order to be dispatched to a jobsite, regardless of they are union or non-union.
- All apprentices must come from a union apprenticeship program.
- All workers must pay union dues, regardless of their union affiliation.
- Who are those group:
 - American Subcontractors Association (represent union & non-union) – opposed to PLA
 - Associated Builders and Contractors (represent union & non-union) – opposed to PLA
 - Etc.
- Every major constructions through the State and the Country opposed PLA for various reason, primarily – they discriminates against non-union workers.
- “PLAs are de facto segregation... African-American workers are significantly underrepresented in all crafts of construction union shops..PLAs are non competitive and, most of all, discriminatory.” National Black Chamber of Commerce
- “WCOE opposed government mandated PLAs... PLAs will disproportionately

impact small business, particularly those owned by women and minorities.”

Women Construction Owners and Executives

- “We believe PLAs make it more difficult for minority-owned contractors to compete...they effectively work against the goals of increasing the number of projects awarded to minority-owned businesses by placing roadblocks in the way.” Latin Builders Association
- “The ultimate effect of the San Francisco Airport PLA is clear...once the PLA was implemented minority business prime contract participation dropped 91.9%. This PLA has been disaster for minority-owned business.” Asian American Contractors Association
- PLA at the San Francisco International is subject a FBI investigation because lack of minority representation.
- Some of the PLA Myths: “PLAs are necessary on large, complex projects.” The project is that 90% of the projects going in the State are not under a PLA. Another myth: “PLA s are only opposed by merit shop contractors who don’t take care of their works.” Reality PLAs are opposed by every segment of the construction industry, union and merit shop alike: American Subcontractors Association; Golden State Builders Exchange; California Landscapers Association; CFEC Board of Directors
- “PLAs first and foremost are discrimination, period. Secondly PLAs interfere with existing work rules that union contractors already have in place. It’s companies like mine that employ union workers, not the political types like (union) business agents who are pushing these things. This is important to remember because we will not bid a project covered by a PLA.” Wayne Lindholm, VP Hensel Phelps Construction.
- Eric Christen present a record of failure regarding PLA. ... PLA does not provide strikes, good example is the San Francisco International had two separate strikes. PLA has a list of broken promises. 16 newspaper in the State of California has taken editorial oppose PLA. But the Sacramento Bee sum it best, “PLAs are about empowering unions, not helping workers.”

Neil Struthers, Building & Construction Trades Councils (second five minutes)

- Mr. Struthers and Mr. Christen have met several times over debates. Hensel Phelps Construction, CEO said will never enter into a PLA, is currently have a dialog in entering into a PLA.
- The last time Mr. Christen and Mr.Struthers met was at a school district, it was couple years. AGC and Eric’s organization got one company and their workers to attend a meeting. That company was called All Bay Electric. The couple of workers spoke and stated that is unfair to enter into a PLA because they already have a health program. In the end the school district enter into a Project Labor Agreement. A couple of months after the meeting, Mr. Struthers received phone calls from a couple of workers from All Bay Electric who wished to meet with him. The workers stated that their employer have not been paying into their Pension Plan. Under the contract, the company must follow the Prevailing Wage law, which regards the owner to pay into the employees’ pension fund. The owner of the company was putting into his own personal bank account, when approached by the employees questioning where their money was; they were fired. Mr. Struthers group helped me find an attorney and follow-up with them. A lawsuit was filed on behalf of all the employees. A week later, Mr. Struthers released a called from the employer, stating that if the lawsuit was drop, he will sign the union agreement. The employer stated that he will follow the Project Agreement and if he has to pay by the rule everyone else should too. There was

no incident in signing a PLA with this employer since he was cheating his employee. The owner could not sign an agreement until he done with his employee stock option plan. Since he was not putting no money into the employee benefit and was trying to sell them worthless stock in exchange with the money that he own them for their benefit, he filed bankrupt.

- This is the reason why there is a Project Agreements, to prevent company from cheating their workers.
- East Side Union District enter into a PLA and San Jose School District did not.

Three (3) Minutes rebuttal, Eric Christen, Coalition for Fair Employment in Construction and Phil Vonne with The Associated General Contractors (AGC)

- Hensel Phelps Construction, the CEO that was mention by Mr. Struthers is the CEO from the Southern California office and does not do business in Northern California . San Jose Unified District did looked into the PLA and have questions about the state issue and therefore decided not to into a PLA. They join almost 1000 other school districts in the State that did not enter into a PLA. There are a few that did enter into a PLA, Oakland, Los Angeles.
- Again there no discussion on how it is justifiable to worker pay union due and how it will help the workers, it a pension that they will never see again.
- Mr. Phil Vonne received a letter last week from CEO from Northern California, John Ball, Granite Construction and Swinerton Construction regarding the San Francisco PEC, they will not bid actually bid in the SF PEC as long as there is a PLA in place. That is the general consents of our members, that they are not interest in bidding works that has a PLA in place.
- San Francisco School District staff is wondering why workers have to plan into union health and pension plans. They want o know why they should go through union hiring hall.

Three(3) Minutes rebuttal, Neil Struthers, Building & Construction Trades Councils

- Mr. Struthers stated that Eric is very good at what he does, but they withdrew the PLA with people responsible for putting PLA together can not keep the benefit. They are very selective whom we enter into an agreement with. They currently have \$3 billion work cover in the County for PLA. We have not have any problem with any of the agreement that we have. Every project is on time and on budget. Some of these owners in the beginning has opposed PLA but since changed their mind. Mr. Struthers stated that Mr. Christen is right that three craft have leave the PLA, that is why the agreement is more important. It does not matter what organization they belong to, they are bond to the agreements.
- Mr. Struthers stated that paying into the healthcare, pension plan and workers does benefit the employees. Everyone individuals who joined the union and those who are currently in the union, have the same benefit. They can't touch the benefit until they worked a number of hours. We encourage workers to join the union and stay in the join and dispatch out to other areas. The reason why employers are afraid is that employees who join union will see the benefit and will not want to back.
- Councilmember Livengood wants know the reason about not being involve in project that has a PLA. What is it about the PLA that has a company refuse the work? There will be union and non-union the job.
- Eric Christen - we represent both union and non-union. PLA is defined by the Union. There are project labor agreements all over the Country that is consisted fair. Why will they send their employee to a Union Hall send their money to the Union hall when they are already have a pension plan. Taking worker money and

force them to union in order of the condition of the employment.

- Councilmember Livengood stated that the City of Milpitas employee have to pay into the union. Councilmember Livengood expressed that he is concern that not all employer will hold up to the standard. There are companies that don't pay into employee benefits or retirement funds. We need to do what is needed to take care of the workers. How do we no that a company is paying their employee benefits/pension. The PLA give us more control.
- Mayor Jose asked if we are contract with group who are already unionized why do we need PLA. What is the impact of hiring from the Union Hall?
- Neil Struthers stated that union members goes to the Union Hall toust register their family for
- Mayor Jose, have look at protect the City and want to review.. what is best for the project...
- Mark will bring presentation at City Council on April 18th

8. Progress Report

A. Library

- Group 4 have completed 60% Construction Documents and will have the cost estimate by the end of the week. Critical Solution Inc(CSI) will prepare an independence Cost Estimate for the Library and Garage.
- The historic branded boards has been presented to PRCRC and the Historical Society and was well accepted by both group.
- Library exper.. on target...
- We are moving along with the garage plan... wear eon schedule...
- Some of the work that Group have been doing... Group 4 have provide with different
- David Schnee... different phase completion report... The plan are getting more detail.. Different group have take time for each detail. Group 4 do paid important detail of the comments... We are signage This whole process is all documents control.
- Mark – Building wants to have review of the wad door..
- Mark present an animation of the North Wing ...
- Review Work is being done... Work is almost complete...
- David S. ave discover mode in the work ... Haz Mat is currently going out to bid. We have open unknown wall and make sure to address it right now. Remove the dry wall..
- Mark Rogge – we want to avoid when big contractor to come out and find things to cause delay and claim..
- Garage – The team adjusted the space between the library and the garage and coordinated the utility rough-ins
- Mark – show a view of inside the building..Retain the original ...
- David Schnee currently at the point to exsirque the .. Start the signage design... Since the main building is no longer use by not use the Milpitas Grammer School to restore..
- Mark at the next meeting Group 4 will bring back about signage..
- Mayor Jose – that building was use for most reason.
- Councilmember Livengood – I am to crazy about the idea.
- Library is working on a donor program.. have request a donor board.. looking for donor reconignation.
- Councilmember Livengoond – not concern with what it look like but what is the money is use for... who decide how the money is spend. Mark.. Library Commission would represent it to the Council

- Mayor would like for the Council have some say into.
- Signage consultant is working on the Martin Luther King Jr. display in the tower.
- David Schnee – cost reductions .. simplified furniture and case work, changed the courtyard roof to tensile fabric. Add Alternates

B. East Parking Garages

- Getting Building Permit. Council have already approve the foundation. We want to make sure that test program is done in advantage.. CSI will do an independent cost estimate from CSI

C. Site Preparation

- Still material stockpiled on site.. Construction has begun keep streets open with flaggers. Staff is mentator.
- Constractor have hitted gas lateral it was at the Blacksmith.yesterday.. PG&E cut at the building.. Public safety was called. Business that was effect was closed at the time.. Complete close at one time..
- City Council did approved the lease.. Staff will be getting used furniture from the City of San Jose. IS is working the
- Mayor - do we have enough security on the site. Mark – the Owner is insulting a door. We are coming back about the furniture cost. We will have camera.
- Mark we have schedule public meeting for the surround business. One in the morning and one evening..

9. Other Business

- CSI provided the Committee with a spreadsheet showing the square footages and dollar amount for the different projects they have worked on. Tom Hedges it very close to the City of Milpitas.
- Mayor is 230 because it is a bare building.. Tom – cheaper in the North

10. Set Next Meeting Date

- The next meeting is scheduled for Tuesday, April 25, 2006 @ 5:30 p.m.

11. Adjournment

- Meeting adjourned at 6: 46 p.m.